



**STATE OF ALABAMA**  
ALABAMA PUBLIC SERVICE COMMISSION  
P.O. BOX 991  
MONTGOMERY, ALABAMA 36101-0991

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WALTER L. THOMAS, JR.  
SECRETARY

April 11, 1996

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street NW  
Washington, D.C. 20554

Re: CC Docket No. 96-45, Notice of Proposed Rulemaking, and Order  
Establishing Joint Board

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Dear Mr. Caton:

Enclosed please find for filing in the above captioned proceeding, an original and twelve copies of the comments of the Alabama Public Service Commission in the above referenced docket.

Please indicate your receipt of this filing on the additional copy and return to the undersigned in the enclosed self-addressed, postage prepaid, envelope. Thank you.

Respectfully,

Mary E. Newmeyer  
Federal Affairs Adviser

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**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

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FCC 96-93

In the Matter of  
Federal-State Joint Board on  
Universal Service

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CC Docket No. 96-45

**COMMENTS OF THE  
ALABAMA PUBLIC SERVICE COMMISSION**

The Federal Communications Commission (FCC or Commission) on March 8, 1996, issued the above referenced Notice of Proposed Rulemaking (NPRM) and Order Establishing Joint Board to implement, in part, the Congressional directives set out in Section 254 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (1996 Act). The FCC issued this rulemaking, in accordance with Section 254(a)(1), to: (1) define the services that will be supported by Federal universal service support mechanisms; (2) define those support mechanisms; and (3) otherwise recommend changes to our regulations to implement the universal service directives of the 1996 Act. The Alabama Public Service Commission (APSC) offers the following comments in response to the above referenced NPRM.

**I. DISCUSSION**

Recognizing the tight deadlines for rulemaking proceedings mandated by the 1996 Act and in response to the Commission's request for parties to file joint comments reflecting any common interest, the Alabama Public Service Commission concurs in the joint comments being filed by the Maine Public Utilities Commission and other State Commissions with the following exception. In the section entitled "- Factors That Do Not Drive Cost Should Not Be Included In Any High Cost

Formula" the APSC does not concur in the following statement:

- "3) The Commission could consider the loop, switch and transport assistance mechanisms together so that a company will receive assistance only if the total of those costs is greater than the national average. This will lessen the needed size of the fund because companies with high loop costs but low switching costs (or low loop but high switching) will not receive as much assistance." (Page 10, Maine and Other State Commissions Joint Comments)

The APSC's position on the issue of DEM weighting rules is presented in the *Reply Comments of the Alabama Public Service Commission*, filed in Docket 80-286 on November 8, 1995, at pages 4-5.

The NPRM indicates that those comments will be incorporated in the present proceeding<sup>1</sup>, therefore, we will not reiterate our position in these comments but will merely reference the previously filed comments.

## **II. Summary**

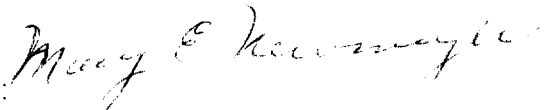
The Alabama PSC, as we stated in our comments in Docket 80-286, is keenly aware of the value of the existing Universal Service support mechanisms and has seen the benefits of these programs in the provision of telephone service in rural Alabama. Prior to the 1996 Act, the APSC and the companies serving the state began to prepare for competition. A major element of this process is a rebalancing of rates that will shift cost recovery from access charges to local service rates. The local rates for the majority of the rural companies will go to \$16.30 under the plan. The smaller calling scopes of these companies require the customers to have higher toll bills on average as well. The imposition of additional mandated SLC charges could make intrastate telephone service unaffordable for a number of customers who may never make interstate calls but will be assessed the

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<sup>1</sup> NOPR fn. 86

recovery of costs that should be born by the interstate users. We urge the Commission to strongly consider the comments on SLC included in the joint comments filed by the Maine Public Utilities Commission and other State Commissions with which we concur

Respectfully submitted  
Alabama Public Service Commission

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Dated: April 11, 1996